

UPPER RISSINGTON PARISH COUNCIL
Internal auditor's report for the year ended 31 March 2022
Name of Auditor: GAPTC (Liz Dowie)

GAPTC internal audits comply with the proper practices outlined in the Governance & Accountability for Smaller Authorities – A Practitioners' Guide and the Accounts and Audit Regulations 2015.

The GAPTC internal audit reviews and reports on whether the systems of financial and other internal controls over its activities and operating procedures are effective. The audit tests a variety of documents, including agendas and minutes, policies, insurance and risk management processes, to ensure Council meets the requirements set out in the Annual Internal Audit Report in the Annual Governance & Accountability Return. The internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.

Our auditors are independent of the Council and are competent to be able to carry out the requirements of the internal audit service.

1. Working documents

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|------------|---|---|---|---|
| 1.1 | Have Standing Orders been: a) tailored to council? b) formally adopted? | Yes Yes | The adopted version is not based on the most recent NALC template, since the public contract amounts have not been updated. This is not material for a Council of this size but recommend for completeness that the latest version is adopted at next review in May 2022. (Template available on the GAPTC website) | a)&b) Minutes 10 th May 2021 ref: 238/21 Website, Governing Documents and Policies, Standing Orders |
| 1.2 | Have Standing | | | |

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| | Orders been a) reviewed? b) minuted? | Yes Yes | a) See comments for 1.1 | a)&b) Minutes 10 th May 2021 ref: 238/21 |
| 1.3 | Have Financial Regulations been a) tailored to council? b) formally adopted? | Yes Yes | The adopted version is based on the 2016 NALC template. Recommend that the latest version (2019) is adopted. (Template available on the GAPTC website) | a)&b) Minutes 10 th May 2021 ref: 239/21 Website, Governing Policies and Documents, Financial Regulations |
| 1.4 | Have Financial regulations been a) reviewed? b) minuted? | Yes Yes | a) See comments for 1.3 | a)&b) Minutes 10 th May 2021 ref: 239/21 |
| 1.5 | Does the council a) give grants? b) have a grant-awarding policy? | Yes Yes | No grants given to date in current financial year. Grants Policy on website is out of date and the updated version is to be considered at the November meeting. | a) Cashbook b) Website, Funding opportunities, Grants Scheme |
| 1.6 | Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations? | See comments | Indicative quotations were obtained to ascertain potential claim on developers for maintenance of Public Open Space for first 5 years after transfer. Contract is now to be advertised on Contracts Finder website as part of tender process. | Minutes file – list of quotations Discussion with Clerk |
| 1.7 | Code of conduct reviewed in the last 2/3 years? | Yes | Adopted 8 th February 2021 | Code of Conduct |

2. Admin

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
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| 2.1 | Has the General Power of Competence been adopted (e.g. a minute reference)? | No | Not eligible as less than 2/3 elected members. Recommend that individual powers to spend are recorded against each payment in the minutes for the purpose of transparency. | Minutes 10 th May 2021 ref: 240/21 Discussion with Clerk |
| 2.2 | S137 a) is there a separate account for payments? b) are totals within statutory limits? | No N/A | Accounts produced on Money Manager 7. No specific facility for recording of S137 payments (see comments under Section 5.4 re software package). No S137 payments made in year to date | a)&b) Cashbook. Discussion with Clerk |
| 2.3 | Is there an annual council authorisation of Direct Debit list and Standing Orders? | Yes | | Minutes 14th June 2021 ref: 266/21(b) |
| 2.4 | Was Petty Cash expenditure approved, if any? | N/A | No Petty Cash held | Cashbook Discussion with Clerk |
| 2.5 | Is all expenditure supported by VAT invoices, if | Yes | | Sample of transactions exercise |

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| | applicable? | | | |
| 2.6 | VAT – a) recorded in accounts b) reclaimed? | Yes Yes | a) Not recorded on cashbook list of transactions but VAT information is accessible on VAT reports. b) Last claim submitted Feb 2021. Clerk to submit claims at least annually | a) Money Manager VAT report |
| 2.7 | Purpose of loan and power identified, if applicable? | N/A | | Cashbook AGAR 2020-21 |

3. Risk management

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|-----|--|---------------------------------|--|--|
| 3.1 | Insurance policy in place? | Yes | BHIB Policy LCO01944 w.e.f. 1 st October 2021 | Insurance schedule |
| 3.2 | Evidence of review of insurance cover to ensure still fit for purpose? | Yes | Reviewed at October meeting following renewal of policy. Draft minutes not yet available | Insurance schedule Discussion with Clerk |
| 3.3 | Copy of Risk Management policy seen? | Yes | Updated Financial Risk Management Plan 2020/21 received and approved by Council in July 2021. The scope of the plan extends beyond financial matters, eg play areas, and therefore recommend that the plan is renamed accordingly. Also recommend that risk assessments are carried out and the Risk Management Plan is kept under ongoing review as Council takes on more assets. | Financial Risk Management Plan. Minutes 12 th July 2021 ref: 279/21(d) |
| 3.4 | Evidence that | No | Cllr Maxey appointed to carry out quarterly checks, | Minutes 12 th July 2021 ref: 279/21 c |

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| | internal controls take place and are documented including bank reconciliations? | | but process has not yet been implemented. Clerk is to draw up a checklist. Recommend that quarterly checks are put in place as soon as possible and that the checklist / bank reconciliations and bank statements are signed in evidence that the checks have been carried out. Agenda for October meeting includes receipt of bank reconciliation if available and a bank reconciliation was not presented to the September meeting. Recommend that bank reconciliations are carried out monthly and presented to Council at each meeting (for the latest month for which bank statements are available) | Agenda 11 th October 2021 ref: 11d |
| 3.5 | Does the council carry out an annual review of the effectiveness of their overall internal audit arrangements? | No | Recommend the Council carries out a review of the effectiveness of overall audit arrangements annually and that it formally records that it confirms that the internal auditor is considered to be competent and independent of the Council. | Discussion with Clerk |
| 3.6 | Asset register seen and reviewed regularly? | Yes | | Website, Financial Information, Asset Register Minutes 10 th May 2021 ref: 241/21 Minutes 12 th July 2021 ref: 279/21(e) |
| 3.7 | Evidence that assets a) have been inspected for risk? b) reported in minutes? c) any actions undertaken? | Yes No No | Monthly play park inspections carried out by West Oxfordshire District Council Full annual inspection carried out by Play Inspection Company. As a priority recommend the outcome of all monthly inspections and details of any actions arising are recorded in the minutes. Recommend also that a review of all assets is carried out to ensure that inspection programmes are in place where necessary. | Invoices. Asset Register Annual play park inspection report – May 2021 |
| 3.8 | Review of | | | |

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| | a) investments? b) bank mandates? | Yes Yes | Ongoing. Funds are split across 6 bank accounts to achieve spread of risk. Recommend that split of funds across bank accounts is reviewed annually and minuted accordingly. b) Reviewed and updated following changes in staff or councillors. | a) Bank statements b) Minutes 10 th May 2021 ref:249/21 Minutes 13 th Sept 2021 ref:322/21(c) & (d) |
| 3.9 | If credit / debit / prepaid cards in use, are proper procedures in place? | N/A | | |
| 3.10 | Are a) physical records secure? b) electronic records backed up? | Yes Yes | a) Lockable fireproof cabinet in office – locked when not in use. b) Backed up to Cloud | Discussion with Clerk |

4. Transparency Code

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|-----|--|---------------------------------|---|------------------------------------|
| 4.1 | Minutes published on website in draft form within one month (mandatory for councils with a turnover of less than £25,000)? | Yes | | Website, Meetings, Council Minutes |

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| 4.2 | Compliance with Transparency Code for councils with turnover of less than £25,000 and over £200,000? | N/A | Council is not subject to Transparency Code but includes most required information on its website. Recommend that Councillor responsibilities are also included once new councillors have been elected/co-opted. | Website |
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5. Budgetary controls

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|-----|---|---------------------------------|--|--|
| 5.1 | Was a budget for the year under review a) prepared? b) adopted? c) minuted? | a) Yes b) Yes c) Yes | | a) Budget document b) and c) Minutes 11 th Jan 2021 ref.129/20.5 |
| 5.2 | Reserves: a) Is there a reserve policy b) Were the objectives of the reserves identified? | Yes Yes | a) Reserves Policy was last reviewed in May 2019. Recommend that this is reviewed annually as part of budgeting process. | a) Website, Financial Information, Reserves Policy b) Budget document |

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| 5.3 | Was the precept demand for the year under review properly minuted in full council? | Yes | | Minutes 11 th Jan 2021 ref.129/50.5 Precept demand |
| 5.4 | Did the council regularly compare the actual income and expenditure to the budget (as detailed in the financial regulations) and evidenced in the minutes? | No | Money Manager software does not automatically provide budget comparison reports. Mid-year comparison produced on Excel was presented to Council in October 2021. Recommend that expenditure is compared to budget at least quarterly and Council may wish to consider upgrading to software designed for Parish Councils to facilitate monthly comparisons. | Budget comparison report October 2021. Discussion with Clerk |
| 5.5 | Are any significant unexplained variances from budget reported? | No | See comments under 5.4 No significant variances identified | Budget comparison report October 2021. Discussion with Clerk |

6. Payroll

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|-----|--|---------------------------------|---|--|
| 6.1 | Do all staff have a contract of employment? | Yes | | Staff contracts – Boscher, Oliveri |
| 6.2 | Do salaries paid agree with those approved by Council? | Yes | | Staff contracts – Boscher, Oliveri Payroll records – Aug, Sept and Oct 2021 |

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| 6.3 | Has the Council registered as an employer with HMRC and have PAYE / NIC been properly dealt with (including year-end procedures)? | Yes | Payroll outsourced to PATA | Payroll records |
| 6.4 | Are Councillor's allowances and expenses properly authorised & controlled, if any? | Yes | Chairman's allowance of £500 for retrospective costs approved by Full Council at the April 2021 meeting. Recommend that the Chairman's allowance is paid in financial year to which costs relate rather than retrospectively. Also recommend an expenses form created to be submitted with supporting receipts adhering to council's Expenses Policy 2019 | Minutes 12 th April 2021 ref. 195/21 Chairman's allowance request Allowance & Expenses Policy 2019 on website |
| 6.5 | Pension provision – eligible employees a) offered pension scheme? b) outcome minuted? | Yes No | Pension administration carried out by PATA and correspondence is provided to Clerk to issue. Recommend that eligibility for pension and outcome of any pension correspondence is formally minuted. | Letter to Veronika Boscher on arrival |
| 6.6 | Has auto-enrolment registration with Pension Regulator been reviewed (if applicable) | Not reviewed. | Clerk is to check with PATA whether they carry out 3 yearly reviews as part of payroll service. Also suggest checking with Pensions Regulator. Recommend that outcome is formally minuted. | Discussion with Clerk |

7. Year-end procedures

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|-----|--|------------------------------------|---|---|
| 7.1 | Are debtors and creditors recorded properly on separate balance sheet if using Income & Expenditure reporting? | N/A | | Cashbook AGAR 2020-21 |
| 7.2 | Does council as a whole consider the year-end accounts? | Yes | | Minutes 14 th June 2021 ref: 265/21(a) |
| 7.3 | Minute confirming that council is eligible for Certificate of Exemption (only for councils with a turnover of less than £25,000) | N/A | | |
| 7.4 | Annual Governance Statement, section 1 of Annual Return, approved by whole council | Yes | | Minutes 14 th June 2021 ref: 264/21(b) |
| 7.5 | Annual Statement | Yes | | Minutes 14 th June 2021 ref: 265/21(b) |

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| | of Accounts, section 2 of Annual Return, approved by whole council? | | | |
| 7.6 | Are all sections of the Annual Governance & Accountability Return published on the website? | Yes | | Website, Financial Information 2020-21 |
| 7.7 | Did council correctly provide for the exercise of public rights? | Yes, but see comments | Dates set - 15 th June - 26 th July 2021 Minutes state that notice would be publicised from 15 th June 2021, although notice is dated 14 th June. If minutes are incorrect, an amendment should be noted. Recommend in future the dates are set with several days' interval between the approval of the AGAR and the start of the period of exercise of public rights. | Minutes 14 th June 2021 ref: 265/21(d) |
| 7.8 | Previous internal audit report reviewed by council and action taken where recommended? | Yes | Risk management schedule updated External audit report for 2020-21 published on website. | Minutes 14 th June 2021 ref: 264/21(a) Agenda 11 th October 2021 ref: 11(f) |
| 7.9 | Previous external audit report (for councils with turnover over £25,000) reviewed by council and action taken where recommended? | Yes | | Agenda 11 th October 2021 ref: 11(f) |

8. Other matters

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments/recommendations | Evidence |
|-----|--|---------------------------------|--|---|
| 8.1 | Policies in place for compliance with GDPR, such as Data Protection Policy for Staff & Councillors and for the public? | Yes, but see comments | Privacy Notice for the public is published on the home page of the website. Recommend that a privacy Notice for Staff and Councillors is also put in place. | Website, Governing Documents and Policies, Data Protection Policy Website, Home Page, Privacy Notice |
| 8.2 | Is the Council a Managing Trustee? | N/A | Council took on ownership and management of Village Hall on 1 st May 2021. Clerk is to confirm that deed of surrender was signed by 2 Councillors and witnessed by Proper Officer in accordance with Standing Order 23. It is also recommended that it is formally recorded in the minutes that it resolved to take over the Village Hall with effect from 1 st May 2021. | Minutes 12 th April 2021 ref:198/21 |
| 8.3 | Do trustees meet at least once a year and publish separate accounts? | N/A | | |
| 8.4 | Website Accessibility Statement on website home page? | Yes | | Website, Home Page, Accessibility Statement |
| 8.5 | Did council formally appoint GAPTC as | Yes | | Minutes 13 th Sept 2021 ref: 321/21 Agenda 11 th October 2021 ref:12 |

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| | the Internal Auditor? | | | |
| 8.6 | Are registers up to date for council-owned burial grounds and purchase of Exclusive Rights of Burials certificate completed? | N/A | | |

9. Procedures

| Ref | Test | Meets reqmts? Yes, No or N/A | Internal Auditor's comments | Evidence |
|-----|--|---------------------------------|--|---|
| 9.1 | Minutes – DPIs or other interests recorded? | Yes | Routine agenda item – one declaration of interest in period under review. | Minutes 12 th April 2021 ref: 188/21 |
| 9.2 | Minutes initialled on each page and final page signed? | No | Minutes are all signed but minutes for April and June 2021 had not been initialled on every page. Recommend that all pages of minutes are initialled by the Chairman when approved by Council. | Minutes |
| 9.3 | List of members' interests held and published on the | Yes | One councillor's Register of Interests form has been completed but has not yet been received from the District Council. Clerk has chased and this will | Website, Your Parish Councillors |

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| | website? | | be uploaded upon receipt. | |
| 9.4 | Agendas signed and displayed 3 clear days' prior to meeting? | Yes | Agendas for meetings in April and May 2021 were not dated but this was corrected from June onwards. | Website, Agendas 2021 |
| 9.5 | Summons issued in proper format? | Yes, but see comments | From 26 th April onwards the item numbers on the agenda do not match the sequential numbering on the minutes. Recommend that this is corrected going forward. In addition, the agenda and minutes for 12 th April do not clearly state that Council has resolved to exclude the public for a confidential session. The use of the term "In Committee" is misleading and it is recommended that this is included as a confidential session on the agenda with the appropriate resolution being recorded in the minutes. | Website, Agendas 2021, Minutes 2021 |